

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – June 15, 2015

Attendance:

Member	Present
J. Bullock	Yes
L. Davis Burnham	No
R. Byrd	Yes
J. Casey	Yes
J. Cohan	Yes
N. Cook	Yes
T. Cook	Yes
R. Davis	Yes
J. DiPinto	Yes
F. Dixon	Yes
B. Fasy	Yes
R. Glen	Yes
G. Hindes	Yes
J. Horty	No
D. Hudson	Yes
A. Levin	No
K. Lewis	Yes

Member	Present
D. Link	Yes
A. Lubin	Yes
G. Marcozzi	No
J. Martin	Yes
C. Morgan	Yes
M. Morton	Yes
J. Polidori	Yes
E. Ratledge	Yes
T. Shopa	Yes
K. Simpler	Yes
G. Simpson	Yes
M. George Smith	No
A. Staton	Yes
D. Swayze	Yes
J. Twilley	Yes
A. Visalli	Yes

Members in Attendance: 28

Members Absent: 5

Others Present: A. Aka, M. Brennan, J. Eisenbrey, C. Eliassen, D. Gregor, P. Jackson, J. Johnstone, K. Knight, S. McVay, B. Maxwell, B. Motyl, B. Mooney, A. Penney, B. Scoglietti, C. Stewart, Rep. D. Short and members of the press.

Opening Business: Mr. Martin called the meeting to order at 3:00 p.m.

The minutes from the May meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report.

In his review of the Balance Sheet estimate, Mr. Ratledge noted that the FY 2015 Appropriation limit is \$4,073.5 million. He said that June estimates for Continuing, Reversions and Encumbered stood at \$170.0 million, \$35.0 million and \$40.0 million respectively. As a result, the FY 2015 expenditure estimate stood at \$3,828.5 million, representing an increase of 0.9% over the previous fiscal year. (See Table 1a for complete details).

In his review of the Functional method, Mr. Ratledge indicated that minor changes have been made to most expenditure categories. More specifically, the estimate for Health Care has been increased by \$1.6 million from the May estimate, while the Pension estimate has been raised by \$1.2 million and Medicaid by \$2.0 million. Meanwhile, the estimate for Contractual Services has been reduced from May's estimate. (See Table 1b for complete details).

A motion was made, seconded and approved to accept \$3,828.5 million as the expenditure estimate for FY 2015. The estimate represents an increase of \$9.0 million from May.

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Aka presented the IHS Global Insight's U.S. macroeconomic assumptions and forecasts, as well as Delaware economic forecasts. When it comes to the national economy, he pointed out that IHS real GDP forecasts are lower than in March on the back of dismal first-quarter economic performance. On the other hand, forecasts for Wages and Salaries as well as Personal Income—which were broadly unchanged from March—have remained strong, reflecting robust fiscal year-to-date growth rates. With respect to Delaware's economy, Mr. Aka noted downward revisions in the estimates for Employment, Personal Income and Wages and Salaries from their March values.

Mr. Lewis mentioned that the outcome of the Federal Reserve's September meeting is still uncertain. He also expressed concerns about the high level (3.75%) of interest rate (federal funds rate), which is expected by IHS at the end of 2017. Mr. Lewis said that in a scenario in which the Fed raises the policy rate by 0.25% in September and leaves it unchanged for many months, IHS' interest rate assumption will not hold.

Mr. Dixon agreed with Mr. Lewis. He also noted a steepening in the yield curve in recent months. Mr. Dixon said that a rapid interest rate hike by the Fed could flatten the yield curve and slow lending from the banking sector. He noted that a reversal in the yield curve has always been a strong indicator for a recession. Mr. Dixon did not expect such a reversal to take place over the next several years. He stressed that the pace of rate hike is important, and did not expect a rapid increase in the rates, which should benefit the U.S. economy in coming years.

Mr. Hindes and Mr. Dixon both agree that IHS federal funds rate assumption would imply significantly higher long-term rates at end-2017, which could affect mortgages and corporate borrowing. Mr. Dixon also indicated that a sudden surge in inflation could lead to a faster pace of interest rate hikes by the Federal Reserve.

General Fund Revenues - Fiscal Year 2015:

The Revenue Subcommittee recommended the following updates to May's estimates:

Revenue Category	May-15	Jun-15	Change
Corporation Income Tax	250.0	292.0	42.0
Abandoned Property	529.0	515.0	(14.0)
Personal Income Tax	1,431.0	1,444.5	13.5
PIT Refunds	(205.0)	(198.0)	7.0
Other Refunds	(86.8)	(82.0)	4.8
Bank Franchise Tax	92.6	95.2	2.6
Lottery	203.1	201.0	(2.1)
Limited Partnerships & LLC's	242.1	243.8	1.7
Gross Receipts Tax	217.9	216.5	(1.4)
Insurance Taxes	52.8	54.2	1.4
Other Revenues	118.6	117.8	(0.8)
CIT Refunds	(39.0)	(38.5)	0.5
Realty Transfer Tax	73.9	73.5	(0.4)
Uniform Commercial Code	17.7	18.0	0.3
Public Utility Tax	48.0	47.7	(0.3)
Dividends and Interest	2.6	2.8	0.2
Franchise Tax Refunds	(9.0)	(9.1)	(0.1)

For a complete listing of FY 2015 estimates, see Table 2.

Discussion of FY 2015 Estimates:

Net Personal Income Tax: Mr. Lewis indicated that the large increase in the estimate reflected both tracking changes and a robust jump in Final settlements, which was largely due to processing backlogs that delayed the

recognition of receipts. He also noted that the lower PIT Refunds estimate was due to the correction of an accounting error.

Corporate Income Tax: Mr. Lewis said that the large increase in the estimate can be traced to tracking strength and the timing of an audit settlement that had been expected in the next fiscal year.

Abandoned Property: Mr. Lewis noted a large decrease in the estimate. He explained that claims for abandoned property have been higher-than-anticipated, as DOF continues to perform due diligence searches to locate holders with securities that have been escheated to the state.

Bank Franchise Tax: Mr. Lewis indicated that the increase in the estimate was partly due to moving some FY 2016 funds into the ongoing year.

Other changes were attributed to tracking.

FY 2015 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,929.6 million as the revenue estimate for FY 2015.

The estimate represents a \$54.9 million increase from DEFAC's May estimate.

General Fund Revenues - Fiscal Year 2016:

The Revenue Subcommittee recommended the following updates to May's estimates:

Revenue Category	May-15	Jun-15	Change
Corporation Income Tax	235.0	207.0	(28.0)
Personal Income Tax	1,493.7	1,507.9	14.2
Other Refunds	(69.9)	(81.9)	(12.0)
PIT Refunds	(218.3)	(210.9)	7.4
Gross Receipts Tax	226.2	224.1	(2.1)
Limited Partnerships & LLC's	254.2	256.0	1.8
Bank Franchise Tax	88.9	87.3	(1.6)
Lottery	204.2	202.7	(1.5)
Dividends and Interest	5.0	4.0	(1.0)
Insurance Taxes	53.5	54.5	1.0
Hospital Board and Treatment	44.4	45.4	1.0
Other Revenues	95.1	95.5	0.4
Realty Transfer Tax	65.5	65.2	(0.3)
Public Utility Tax	46.0	45.7	(0.3)
Uniform Commercial Code	17.9	18.0	0.1

For a complete listing of FY 2016 estimates, see Table 2.

Discussion of FY 2016 Estimates:

Personal Income Tax: Mr. Lewis reported an increase in the estimate, reflecting the carrying forward of changes made in FY 2015.

Corporate Income Tax: Mr. Lewis reported that most of the decrease in the estimate reflects the recognition of audit receipts in fiscal year 2015 that were originally expected to settle in FY 2016.

Bank Franchise Tax: Mr. Lewis indicated that the decrease in the estimate was due to outflow of funds to the ongoing year.

Other Refunds: Mr. Lewis stated that the increase in the estimate reflected higher refunds for Abandoned Property.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY 2015 and maintaining previous growth rates.

Mr. Link asked why PIT Withholding was posting strong growth rates in coming years in light of downward revisions in the estimate for Delaware Wages and Salaries. Mr. Lewis answered that the state's income tax collections do not correlate very well with the BEA Personal Income data. He also indicated that Delaware's withholding collections can be thought of as a leading indicator for the BEA Personal Income series. Mr. Gregor added that the economic presentation compared forecasts made in March and June, with the June forecast taking into account additional data that have been received after March.

In response to a question from Mr. Link about a time series showing Delaware's Wages and Salaries and Withholding, Mr. Lewis said that data revisions might need to be captured too. Mr. Ratledge added that the large cross-border movement is also periodically re-estimated by the BEA.

Rep. Hudson asked whether there are any outstanding payments that are due and may be collected in the next two weeks. Mr. Cook answered that the day of the meeting (June 15) represented the due date for Corporate Income Tax, and that staff of the Department of Finance have been tracking the numbers. Moreover, he indicated that the Department is in the process of selling securities to meet the Abandoned Property revenue estimate.

FY 2016 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,867.8 million as the revenue estimate for FY 2016.

The estimate represents a decrease of \$20.9 million from the May estimate.

For information purposes, Mr. Lewis reported that the FY 2017 revenue estimate is \$3,871.4 million. The estimate represents an increase of \$14.1 million from DEFAC's May estimate.

Mr. Lewis pointed out that, after adjusting for the revenue resolution, both FY 2015 and FY 2016 revenue estimates made in June 2015 fall within 1.0% of the estimates made in June 2014. Ms. Visalli noted that, based on this meeting, there is still a budgetary shortfall, when compared to the latest budget recommended by the Governor. She pointed out both FY 2016 and FY 2017 revenue estimates are below the FY 2015 estimate in absolute value. Ms. Visalli also added that the revenue increase between FY 2017 and FY 2016 is less than \$4.0 million when yearly expenditure increases are well above \$4.0 million.

Balance and Appropriations Worksheet: Mr. Gregor presented the Balance and Appropriations worksheet. The result of this exercise is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

State Operations Expenditure: There was no change from the May estimate

of \$351.0 million.

State Capital Expenditure: Decreased from \$150.0 million in May to \$145.0 million.

Federal Capital Expenditure: Decreased from \$250 million in May to \$235.0 million.

GARVEE – US301 Capital Expenditure: There was no change from the May estimate of \$8.2 million.

A motion was made, seconded, and approved to accept \$739.2 million as the FY 2015 TTF expenditure estimate. The estimate represents a reduction of \$20.0 million from May's estimate. (See Table 4.)

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast.

FY 2015 Estimates:

Toll Road Revenues: There was no change from the May estimate of \$178.4 million.

Motor Fuel Tax Administration: Increased from \$119.8 million in May to \$121.3 million. Mr. Motyl attributed the increase to exceptionally strong fuel consumption.

Division of Motor Vehicles: Decreased from \$172.7 million in May to \$171.4 million. Mr. Motyl attributed the change to a tracking weakness.

Other Transportation Revenues: There was no change from the May estimate of \$13.8 million.

A motion was made, seconded, and approved to accept \$484.9 million as the FY 2015 TTF revenue estimate. The estimate represents an increase of \$0.2 million from May's estimate.

FY 2016 Estimates:

The following changes were made from the May estimate.

Toll Road Revenues: There was no change from the May estimate of \$180.6

million.

Motor Fuel Tax Administration: Increased from \$118.8 million in May to \$120.3 million.

Division of Motor Vehicles: Decreased from \$177.8 million in May to \$176.5 million.

Other Transportation Revenues: There was no change from the May estimate of \$14.0 million.

In response to a question from Mr. Link about blending TTF revenues and expenditures together, Mr. Motyl explains that about \$23.0 million have been added to the FY 2015 revenues and that revenues are growing at around 1.3% in the out-years. He added that the Capital program is a declining program as revenue growth is outpaced by growth in Operations. Mr. Davis indicated that the revenue figures do not take into account the federal funds that are including in the expenditure data. Adding the federal funds will show a balanced TTF budget. Mr. Martin said that perhaps a presentation that takes into account Mr. Link's suggestion could be made available to the Council in September.

A motion was made, seconded, and approved to accept \$491.4 million as the FY 2016 TTF revenue estimate. The estimate represents an increase of \$0.2 million from May's estimate. (See Table 5.)

Other Business:

FY 2016 Debt Limit: Mr. Gregor presented the debt limit for FY 2016. This amount is equal to 5% of projected FY 2016 revenues or \$193.39 million

Mr. Martin announced the next scheduled DEFAC meeting dates:

- September 21, 2015
- December 21, 2015

Mr. Martin says that the September Subcommittee meeting will start at 12:00 p.m. The December Subcommittee meeting will start at 1:00 p.m.

Mr. Simpler suggested the implementation of an outside (public) policy statement for each DEFAC meeting. Mr. Martin said Mr. Simpler's suggestion is an excellent one and will be taken under consideration.

There being no further business, Mr. Martin adjourned the meeting at 3:53 p.m.

Respectfully submitted,

Arsene Aka

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2015 (\$ in millions)												
June 2015 (as of 05/31/15) DRAFT												
	FY2010		FY2011		FY2012		FY2013		FY2014		FY2015	
	Actual		Actual		Actual		Actual		Actual		Appropriation	
Budget Act	3,091.5		3,305.3		3,508.6		3,586.8		3,718.2		3,809.5	
Cash to Bond Bill	0.0		91.0		115.3		53.4		60.9		23.8	
Grant-in-Aid	35.4		35.2		41.2		44.2		44.8		45.4	
Continuing & Encumbered (from prior years)	183.7		184.9		303.7		301.1		276.4		194.8	
Supplementals	0.0		0.0		0.0		0.0		0.0		0.0	
											4,073.5	
LESS:												
Reversions to the General Fund	49.3		42.1		75.3		50.5		111.3			
Encumbered to next fiscal year	37.7		35.2		39.3		35.6		40.2			
Continuing to next fiscal year												
Operating Budget												
Bond Bill												
Total Continuing	147.2		268.4		261.8		240.9		154.6			
Subtotal	234.1		345.7		376.4		327.0		306.1			
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Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2015 (\$ in millions)																			
June 2015 (as of 05/31/15) DRAFT																			
	FY2010	FY2011	FY2012	FY2013	FY2014	Sep	Dec	Mar	Apr	May	Jun	Difference		% change		Annual		% of forecast	
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	15 vs. '14	15 vs. '14	15 vs. '14	15 vs. '14	15 vs. '14	15 vs. '14	FY2015 YTD	FY2015 total
Salaries	1154.7	1200.1	1,277.4	1,285.6	1,306.8	1,340.2	1,340.2	1,340.2	1,340.2	1,340.2	1,340.2	33.4	2.6%	3.02%				1,242.6	35.0%
Fringe Benefits	330.9	365.4	379.5	379.0	396.0	400.2	400.2	400.2	400.2	400.2	402.7	6.7	1.7%	4.01%				370.5	10.5%
Health Care	218.9	253.0	260.6	261.7	279.1	281.1	281.1	281.1	281.1	281.1	282.7	3.6	1.3%	5.25%				259.1	7.4%
Other	112.0	112.4	118.9	117.3	116.9	119.1	119.1	119.1	119.1	119.1	120.0	3.1	2.7%	1.39%				111.4	3.1%
Pension	196.7	222.2	252.9	271.9	285.8	286.2	286.2	286.2	286.2	286.2	287.4	1.6	0.6%	7.88%				267.9	7.5%
Debt Service	174.3	169.5	144.4	144.8	158.0	165.7	164.0	164.0	164.0	164.0	163.9	5.9	3.7%	-1.22%				163.9	4.3%
Grants	276.6	327.3	364.0	372.8	379.6	365.0	360.0	365.0	365.0	367.0	372.4	(7.2)	-1.9%	6.13%				354.2	9.7%
Medicaid	428.6	466.2	637.3	637.0	661.8	681.6	664.9	664.9	664.9	664.9	666.9	5.1	0.8%	9.25%				627.3	17.4%
Contractual Services	435.7	434.5	455.1	484.0	517.3	507.0	507.0	510.0	515.0	515.0	512.0	(5.3)	-1.0%	3.28%				463.7	13.4%
Supplies & Materials	58.9	59.1	65.5	63.7	69.9	68.0	68.0	69.0	69.0	69.0	69.0	(0.9)	-1.3%	3.22%				62.6	1.8%
Capital Outlay	20.1	26.4	16.3	19.6	18.8	17.0	17.0	16.0	15.0	13.0	14.0	(4.6)	-25.5%	-6.98%				13.1	0.4%
FY Budgetary Expenditures	3,076.5	3,270.7	3,592.4	3,659.5	3,794.0	3,830.9	3,807.5	3,815.5	3,819.5	3,819.5	3,828.5	34.5	0.9%	4.47%				3,565.8	100.0%
Comments:																			

Table 2. DEFAC General Fund Revenue Worksheet

June-15 DEFAC Meeting		FY 2014					FY 2015					FY 2016				
		A Actual Collections	B DEFAC May-15	C % B over A	D DEFAC Jun-15	E % D over A	F \$ Increase D over B	G DEFAC May-15	H % G over B	I DEFAC Jun-15	J % I over D	K \$ Increase I over G				
Revenue Category																
Personal Income Tax		1,385.0	1,431.0	3.3%	1,444.5	4.3%	13.5	1,493.7	4.4%	1,507.9	4.4%	14.2				
Less: Refunds		(197.3)	(205.0)	3.9%	(198.0)	0.4%	7.0	(218.3)	6.5%	(210.9)	6.5%	7.4				
PIT Less Refunds		1,187.7	1,226.0	3.2%	1,246.5	4.9%	20.5	1,275.4	4.0%	1,297.0	4.1%	21.6				
Franchise Tax		625.6	674.8	7.9%	674.8	7.9%	0.0	681.5	1.0%	681.5	1.0%	0.0				
Limited Partnerships & LLC's		195.8	242.1	23.7%	243.8	24.5%	1.7	254.2	5.0%	256.0	5.0%	1.8				
Subtotal Franchise + LP/LLC		821.4	916.9	11.6%	918.6	11.8%	1.7	935.7	2.1%	937.5	2.1%	1.8				
Less: Refunds		(6.8)	(9.0)	32.2%	(9.1)	33.7%	(0.1)	(10.0)	11.1%	(10.0)	9.9%	0.0				
Net Franchise + LP/LLC		814.6	907.9	11.5%	909.5	11.6%	1.6	925.7	2.0%	927.5	2.0%	1.8				
Business Entity Fees		96.0	102.8	7.1%	102.8	7.1%	0.0	106.9	4.0%	106.9	4.0%	0.0				
Uniform Commercial Code		17.2	17.7	3.2%	18.0	4.9%	0.3	17.9	1.1%	18.0	0.0%	0.1				
Corporation Income Tax		175.5	250.0	42.4%	292.0	66.4%	42.0	235.0	-6.0%	207.0	-29.1%	(28.0)				
Less: Refunds		(73.5)	(39.0)	-46.9%	(38.5)	-47.6%	0.5	(53.0)	35.9%	(53.0)	37.7%	0.0				
CIT Less Refunds		102.0	211.0	106.8%	253.5	148.5%	42.5	182.0	-13.7%	154.0	-39.3%	(28.0)				
Bank Franchise Tax		102.7	92.6	-9.8%	95.2	-7.3%	2.6	88.9	-4.0%	87.3	-8.3%	(1.6)				
Gross Receipts Tax		226.5	217.9	-3.8%	216.5	-4.4%	(1.4)	226.2	3.8%	224.1	3.5%	(2.1)				
Lottery		214.6	203.1	-5.3%	201.0	-6.3%	(2.1)	204.2	0.5%	202.7	0.8%	(1.5)				
Abandoned Property		474.9	529.0	11.4%	515.0	8.4%	(14.0)	514.0	-2.8%	514.0	-0.2%	0.0				
Hospital Board and Treatment		48.9	45.6	-6.8%	45.6	-6.8%	0.0	44.4	-2.6%	45.4	-0.4%	1.0				
Dividends and Interest		2.8	2.6	-8.6%	2.8	-1.6%	0.2	5.0	92.3%	4.0	42.9%	(1.0)				
Realty Transfer Tax		60.3	73.9	22.5%	73.5	21.8%	(0.4)	65.5	-11.4%	65.2	-11.3%	(0.3)				
Estate Tax		1.3	6.0	371.5%	6.0	371.5%	0.0	4.0	-33.3%	4.0	-33.3%	0.0				
Insurance Taxes		53.0	52.8	-0.3%	54.2	2.3%	1.4	53.5	1.3%	54.5	0.6%	1.0				
Public Utility Tax		47.4	48.0	1.2%	47.7	0.5%	(0.3)	46.0	-4.2%	45.7	-4.2%	(0.3)				
Cigarette Taxes		114.7	106.0	-7.6%	106.0	-7.6%	0.0	103.9	-2.0%	103.9	-2.0%	0.0				
Other Revenues		88.4	118.6	34.1%	117.8	33.2%	(0.8)	95.1	-19.8%	95.5	-18.9%	0.4				
Less: Other Refunds		(80.4)	(86.8)	8.0%	(82.0)	2.0%	4.8	(69.9)	-19.5%	(81.9)	-0.1%	(12.0)				
Net Receipts		3,572.7	3,874.7	8.5%	3,929.6	10.0%	54.9	3,888.7	0.4%	3,867.8	-1.6%	(20.9)				

Adj Growth Rate

4.75%

1.25%

Table 2. DEFAC General Fund Revenue Worksheet

June-15 DEFAC Meeting	FY 2017				
	L DEFAC May-15	M % L over G	N DEFAC Jun-15	O % N over I	P \$ Increase N over L
Revenue Category					
Personal Income Tax	1,562.8	4.6%	1,577.6	4.6%	14.8
Less: Refunds	(229.2)	5.0%	(221.4)	5.0%	7.8
PIT Less Refunds	1,333.6	4.6%	1,356.2	4.6%	22.6
Franchise Tax	681.5	0.0%	681.5	0.0%	0.0
Limited Partnerships & LLC's	267.0	5.0%	268.8	5.0%	1.8
Subtotal Franchise + LP/LLC	948.5	1.4%	950.3	1.4%	1.8
Less: Refunds	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	938.5	1.4%	940.3	1.4%	1.8
Business Entity Fees	111.2	4.0%	111.2	4.0%	0.0
Uniform Commercial Code	18.2	1.7%	18.2	1.1%	0.0
Corporation Income Tax	202.9	-13.7%	205.0	-1.0%	2.1
Less: Refunds	(42.6)	-19.6%	(42.6)	-19.6%	0.0
CIT Less Refunds	160.3	-11.9%	162.4	5.5%	2.1
Bank Franchise Tax	87.9	-1.1%	88.5	1.4%	0.6
Gross Receipts Tax	234.8	3.8%	232.6	3.8%	(2.2)
Lottery	205.8	0.8%	204.2	0.7%	(1.6)
Abandoned Property	400.0	-22.2%	400.0	-22.2%	0.0
Hospital Board and Treatment	44.8	0.9%	44.8	-1.3%	0.0
Dividends and Interest	11.0	120.0%	8.0	100.0%	(3.0)
Realty Transfer Tax	68.8	5.0%	73.6	12.9%	4.8
Estate Tax	4.0	0.0%	4.0	0.0%	0.0
Insurance Taxes	54.6	2.1%	55.6	2.0%	1.0
Public Utility Tax	47.6	3.5%	47.3	3.5%	(0.3)
Cigarette Taxes	101.8	-2.0%	101.8	-2.0%	0.0
Other Revenues	104.3	9.7%	104.8	9.7%	0.5
Less: Other Refunds	(69.9)	0.0%	(82.1)	0.2%	(12.2)
Net Receipts	3,857.3	-0.8%	3,871.4	0.1%	14.1

Adj Growth Rate

4.75%

Table 3. Balance and Appropriations Worksheet

FY 2015 EXPENDITURES		FY 2015 BALANCES		FY 2016 APPROPRIATION LIMITS	
Total Spending Authority	\$4,073.5	Total Expenditures	\$3,828.5	FY 2016 Revenue Estimate	\$3,867.8
Less: Continuing Appropriations & Encumbrances from FY 2015	(\$210.0)	vs. FY 2015 Revenues	3,929.6	Unencumbered Cash Balance from FY 15	\$93.0
Less: Reversions	<u>(\$35.0)</u>	Operating Balance	101.1	100% Appropriation Limit	\$3,960.8
Total Expenditures	\$3,828.5	Prior Year Cash Balance	<u>\$414.4</u>	98% Appropriation Limit	<u>\$3,881.5</u>
		Cumulative Cash Balance	515.5	Prior 98% Appropriation Limit	\$3,848.2
		Less: Continuing Appropriations & Encumbrances from FY 2015	(210.0)	Increase (Decrease) from Prior Meeting	\$33.3
		Less: Budgetary Reserve Account	<u>(\$212.5)</u>	Sept. 2014 98% Appropriation Limit	\$3,887.0
		Unencumbered Cash Balance 6/30	\$93.0	Increase (Decrease) from September 2014	(\$5.5)

Table 4.

Delaware Department of Transportation FY 2015 Expenditures, Through May 31, 2015													92%
	FY2013 Actual	FY2014 Actual	FY2015 Appropriation	SEPTEMBER FY2015 Forecast	DECEMBER FY2015 Forecast	MARCH FY2015 Forecast	APRIL FY2015 Forecast	MAY FY2015 Forecast	JUNE FY2015 Forecast	\$ Difference FY14 Actual	FY2015 YTD Spend	% spent YTD	
Operations													
Debt Service	123.5	112.3	109.4	107.5	107.5	107.5	107.5	107.5	107.5	0.0	107.5	100%	
Personnel Costs	86.5	86.4	86.8	86.8	86.8	86.0	86.0	86.0	86.0	0.0	78.4	91%	
Operations/Capital Outlay	56.9	66.1	67.8	67.8	67.8	70.4	71.9	71.9	71.9	5.8	64.1	89%	
Transit Operations (DTC)	83.0	83.9	84.5	84.5	84.5	85.6	85.6	85.6	85.6	1.7	85.6	100%	
Total Expenditures - Operations	349.9	348.7	348.5	346.6	346.6	349.5	351.0	351.0	351.0	0.0	335.6	96%	
Capital (State)			CTP Spend										
Road System	134.6	92.6	100.4	100.4	100.4	100.4	100.4	91.3	86.3	(5.0)	70.2	81%	
Grants & Allocations	20.9	17.7	21.8	21.8	21.8	21.8	21.8	21.8	21.8	4.1	18.0	83%	
Support Systems	27.0	47.2	25.3	25.3	25.3	25.3	25.3	27.3	27.3	(19.9)	23.6	86%	
Transit	5.5	13.6	12.0	12.0	12.0	12.0	12.0	9.6	9.6	(4.0)	5.1	53%	
Total Expenditures- State Capital	188.0	171.1	159.5	159.5	159.5	159.5	159.5	150.0	145.0	(5.0)	116.9	81%	
Capital (Federal)			CTP Spend										
Federal Capital	214.5	201.3	329.6	329.6	329.6	299.6	299.6	250.0	235.0	(15.0)	203.9	87%	
Capital (GARVEE)			CTP Spend										
GARVEE - US301	26.9	7.0	23.2	23.2	23.2	8.2	8.2	8.2	8.2	1.2	6.9	84%	
Total Expenditures - Capital	429.4	379.4	512.3	512.3	512.3	467.3	467.3	408.2	388.2	(20.0)	327.7	84%	
TOTAL EXPENDITURES	779.3	728.1	860.8	858.9	858.9	816.8	818.3	759.2	739.2	(20.0)	663.3	90%	

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY 13	FY 14	% Chg.	Fiscal 2015			Fiscal 2016		
				5/18/2015 Approved	6/15/2015 Recomm	% Chg. FY 14	5/18/2015 Approved	6/15/2015 Recomm	% Chg. FY 15
<u>TOLL ROAD REVENUES:</u>									
95 Newark Plaza	\$117.7	\$119.9	1.9%	\$119.7	\$119.7	-0.2%	\$120.4	\$120.4	0.6%
Route 1 Toll Road	46.2	47.6	2.9%	\$56.1	\$56.1	18.0%	\$57.5	\$57.5	2.5%
Concessions	2.4	2.5	4.5%	\$2.6	\$2.6	4.7%	\$2.7	\$2.7	3.8%
Total Toll Road Revenues	166.3	170.0	2.2%	\$178.4	\$178.4	4.9%	\$180.6	\$180.6	1.2%
MOTOR FUEL TAX ADMIN.	115.0	116.9	1.7%	\$119.8	\$121.3	3.7%	\$118.8	\$120.3	(0.8%)
<u>DIVISION OF MOTOR VEHICLES</u>									
Motor Vehicle Document Fees	77.6	84.8	9.3%	\$93.3	\$93.3	10.0%	\$96.1	\$96.1	3.0%
Motor Vehicle Registration Fees	47.6	49.2	3.0%	\$52.0	\$50.7	3.0%	\$53.5	\$52.2	3.0%
Other DMV Revenues	25.5	26.3	6.6%	\$27.4	\$27.4	4.3%	\$28.2	\$28.2	2.9%
Total DMV Revenues	150.7	160.3	6.4%	\$172.7	\$171.4	6.9%	\$177.8	\$176.5	3.0%
<u>OTHER TRANSPORTATION REV.</u>									
Other Transportation Rev	11.2	11.6	-1.6%	\$11.4	\$11.4	-1.5%	\$11.5	\$11.5	0.9%
Investment Income(Net)	2.2	2.3	16.4%	\$2.4	\$2.4	6.3%	\$2.5	\$2.5	4.2%
Total Other Transp. Revenue	13.4	13.9	3.7%	\$13.8	\$13.8	-0.7%	\$14.0	\$14.0	1.4%
GRAND TOTAL	\$445.4	\$461.1	3.5%	\$484.7	\$484.9	5.2%	\$491.2	\$491.4	1.3%